

Lance J.M. Steinhart, P.C.

1720 Windward Concourse

Suite 250

Alpharetta, Georgia 30005

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Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
T.R.A. Facsimile: (770) 232-9208
Email: lsteinhart@telecomcounsel.com

November 17, 2005

VIA OVERNIGHT DELIVERY

Mr. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Budget Phone, Inc.'s Petition for Designation
as an Eligible Telecommunications Carrier in the State of Tennessee
Docket No. 05-00228

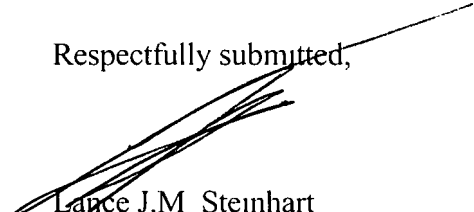
Dear Mr. Waddell:

Enclosed please find for filing an original and (13) thirteen copies of Budget Phone, Inc.'s responses to the Commission's second data request to the above-referenced docket.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,



Lance J.M. Steinhart
Attorney for Budget Phone, Inc.

cc Mr. Ron Munn

Budget Phone, Inc.
Docket No. 05-00228
November 17, 2005

1. **Question:** Pursuant to TRA Rule 1220-4-8-.04(3)(b)(5), please provide a cite in Budget Phone's tariff describing Budget Phone's Lifeline offering.

Response: See Attached.

3 4 10 General

3.4 10.1 Low-Income Programs consist of two programs, Lifeline and Link Up. The Company participates in both of these assistance programs to increase the availability of telecommunications services to all consumers in its service areas. Basic terms and conditions are in compliance with the FCC's order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendations in CC Docket 96-45, which complies with the Telecommunications Act of 1934 (as amended). Specific terms and conditions are as prescribed by the Tennessee Regulatory Authority (TRA) and are as set forth in this tariff.

3 4.10 2 Lifeline is supported by the federal universal support mechanism.

3 4 11 Definitions

3.4.11.1 The following terms shall be defined as follows:

- A Qualifying low-income subscriber – a subscriber who meets the low-income eligibility criteria established by the Tennessee Regulatory Authority (TRA)
- B Toll blocking – a service that does not allow the completion of outgoing direct-dialed toll calls.

3.4.12 Lifeline

3.4.12.1 General

- A. Lifeline reduces an eligible customer's monthly Federal Subscriber Line Charge and the rates for local service. An eligible customer receives credit for the Federal Subscriber Line Charge as well as a credit towards their residential local exchange access line rate.

3 4 12 2 Regulations

- A Lifeline is available to all residential customers who meet and provide proof of the eligibility criteria as a participant in one of the following programs:
 - Temporary Assistance to Needy Families (TANF), previously known as AFDC
 - Supplemental Security Income (SSI)
 - Food Stamps
 - Medicaid, as provided under TennCare

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By

R Daniel Hyde, Jr , President
6901 West 70th Street
Shreveport, LA 71129

- B. Additionally, a customer with total gross annual income that does not exceed 125% of the federal poverty income guidelines may apply directly to the Tennessee Regulatory Authority (TRA) for Lifeline eligibility certification
- C. Participants in Lifeline will not be subject to disconnection of their local service for nonpayment of toll charges

3 4 12.3 Territory

- A. Lifeline is available to all eligible residential customers residing in the base rate areas of all of the BellSouth and United Telephone SouthEast exchanges as shown and defined in the Incumbent's current and effective tariff on file with the Commission

3 4 12 4 Terms and Conditions

- A. Lifeline is provided only to the customer's principle residence. The customer must not be served by more than one local exchange carrier
- B. One low-income credit is available per household and applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low-income assistance programs identified in 3 4 12 2, A and B proceeding.
- C. Proof of eligibility in any of the qualifying low-income assistance programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until the Company has received proof of eligibility
- D. When, for any reason, a customer is determined to be ineligible, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline account will be disconnected or the Lifeline discounts will be removed.
- E. Certification of eligibility in any of the qualifying low-income assistance programs will be required for any account that has been disconnected prior to the reestablishment of the service.
- F. Toll restriction is provided on all eligible accounts at no charge.

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3.4.12.5 Credits

A The following credits will apply for each customer eligible for Lifeline.

- | | |
|---|--------|
| (1) Federal Subscriber Line Charge Credit | \$6.50 |
| (2) Tier 2 Federal Credit | \$1 75 |
| (3) Tier 3 State Credit | \$3 50 |
| (4) Tier 3 Federal Matching Credit | \$1 75 |
| (5) Tier 4 Credit (Tribal Lands) | \$0.00 |

3 4 13 Link-Up (Lifeline Connection Assistance)

3.4 13.1 General

A Link-Up is a connection assistance program for qualifying low-income consumers that consist of a reduction in the customary charges for connecting telecommunications services and a deferred schedule for payment of charges assessed for connecting service.

3 4 13 2 Regulations

- A. The same eligibility requirements, as outlined in 3.4.12.2, A and B proceeding, will apply for Link-Up.
- B. This credit is only available on the installation of a single residential access line at the principle residence of the eligible customer.
- C. To receive the credit, proof of eligibility must be provided prior to the installation of service

3.4 13.1 Rates

- A. The applicable discount is half of the service connection charge, as specified in 3 1.2 of Budget Phones Tennessee Tariff No 1, or \$30.00 whichever is less.

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